

REASON THREE

By Jeff Vanek & Kimball Thomson

A Growing Industrious Workforce Entrepreneurs Meet the Mountains



UTAH'S ENDURING COMMITMENT TO INDUSTRY is reflected in its state emblem. The Beehive was chosen by early settlers for its core values of industrious work and high productivity. Utah's state motto remains "Industry," a fitting symbol for the state's growing workforce—creative, energetic, industrious and productive. Take these qualities and add easy commutes and access to numerous recreational pursuits, and Utah becomes one of the best states in which to live and work.

FILLING THE RANKS

Utah's workforce is distinguished by an important trait: Utah has the youngest labor force in the nation with an average age of 27, according to census data. The average age of workers for the United States is 35 years old. Additionally, 47 percent of Utah's workforce is 34 years old and younger; no other state comes closer than Texas, at 39 percent.

Given great nationwide concern about the impending retirement of the Baby Boomers, Utah is in a unique, enviable position. Its pool of young workers is projected to increase by 60 percent by the year 2020, and the group most likely to retire in the next 10 years—those who are 55-65 years old—make up the lowest percentage of any other state, 8.6 percent (compared with a national average of 11 percent).

What these numbers mean, according to Mark Knold, senior economist at the Utah Department of Workforce Services, is that Utah won't experience the same impending retirement crunch felt nationwide. "The Utah economy won't be facing that kind of issue because our labor force isn't having that same problem—a huge void being created by a baby-boomer dominance and corresponding retirement," he says. "Utah is in a position where we don't anticipate, at least not to the degree of the rest of the country, a void in terms of loss of talent."

"Utah's talent pool is young and energetic, eager to grow, expand and

advance their careers," says Patricia Vaughn, director of the Talent Access Programs (TAP) in the Governor's Office of Economic Development (GOED). "This represents a tremendous advantage for companies located in the state."

The state's workforce is also well educated. According to the U.S. Census, 89 percent of Utah residents over 25 years of age are high school graduates, and 28 percent have a bachelor's degree or higher. In a study performed by Forbes.com, which ranked school districts in the biggest cities throughout the country, Salt Lake City's two largest school districts, Jordan and Granite, were ranked as the second best in the nation, a close second to Boston. In terms of higher education, Utah features six universities, including three major research universities.

UTAH'S ENTREPRENEURIAL SPIRIT

The Beehive State consistently distinguishes itself as one of the nation's hotspots for entrepreneurship. Utah

has thousands of thriving technology and biomedical companies, often supported by research coming out of local universities, and the state ranked among the top 10 in a recent Milken Institute study of states that invest in their science and technology assets as an economic development tool. The thriving technology businesses in Utah was one of the major factors that went into a recent *Fast Company* magazine article naming Salt Lake City as one of seven "fast" cities in the United States. The magazine describes a "fast" city as having a large, growing workforce of "creative class" workers, which consists of scientists, engineers, artists, managers and high-paid professionals.

USA Today recently conducted an extensive survey of every county in the nation to determine which had the highest percentage of early technology adaptors. According to the survey, Utah has three of the top 25 counties in the nation for technology-savvy people: Salt Lake County at No. 10; Davis County at 16; and Utah County at 24. People living in these counties



are more likely to buy and use the latest technologies available, such as Wi-Fi and Internet phone service.

In a Pacific Research Institute study, Utah ranked fifth among states for economic freedom, fostering business growth and entrepreneurial success. The study factored in more than 140 variables, including taxes, environmental regulations, tort laws and property rights, and was based on five types of government intervention on markets: fiscal, regulatory, judicial, government size and welfare. Utah is one of only 21 right-to-work states. Under the Utah provision, no individual seeking or holding a job in the state may be forced to join or pay dues to a labor union. Only 6.2 percent of Utah employees are affiliated with unions, compared to a national average of 13.2 percent.

In a study conducted by the Beacon Hill Institute, Utah was ranked second in the nation for business competitiveness. This study took into consideration a number of components such as electricity prices, venture capital investments, crime

statistics and science degrees awarded, to name just a few. Utah rose in the rankings due to high scores in technology, labor and infrastructure. A KPMG Competitive Alternative Study puts Salt Lake City as the third least-costly midsize metro area in the nation for doing business. Inc. magazine ranked Utah as the top entrepreneurial state per capita in the nation for two 2003 and 2004, and a Wells Fargo Bank/Center for Women's Business Research 2004 study found that the Salt Lake/Ogden area is the nation's fastest-growing area for the number of women-owned businesses.

EXCEPTIONAL WORK AND PLAY

In the August 2005 issue of Outside magazine, Salt Lake City was ranked as the number one city in the nation for its "commitment to open spaces, smart solutions to urban sprawl and gridlock, a can-do community spirit and an active embrace of the outdoor life." The magazine cites an average commute time of just over 19 minutes. There are few places that offer

outdoor recreation in pristine mountain wilderness within 30 minutes of a major metropolitan area. Utah has 14 ski resorts, seven which are within 40 minutes of Salt Lake International Airport. Some Utahns even boast they can get in nearly 100 ski days without missing a day of work.

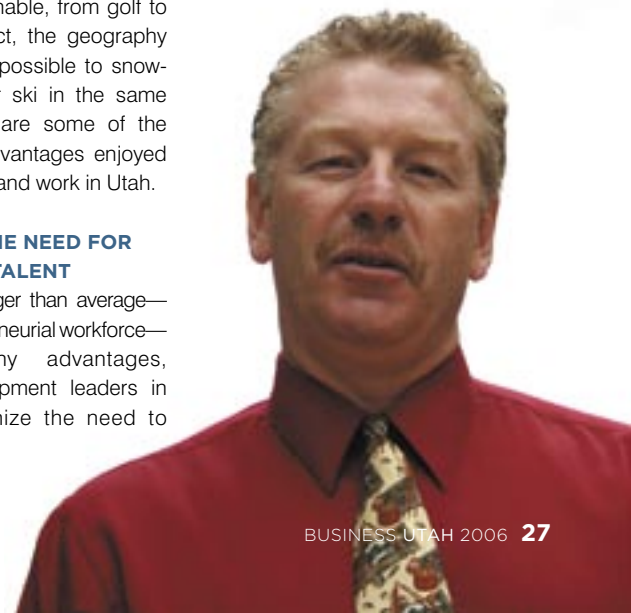
If it is warmer weather and spectacular desert scenery you want, then head to southern Utah, which is home to five national parks and numerous state parks. There, you will find every kind of outdoor recreation opportunity imaginable, from golf to waterskiing. In fact, the geography of Utah makes it possible to snowmobile and water ski in the same weekend. These are some of the many enviable advantages enjoyed by those who live and work in Utah.

ADDRESSING THE NEED FOR MANAGEMENT TALENT

While Utah's younger than average—and highly entrepreneurial workforce—possesses many advantages, economic development leaders in the state recognize the need to

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increase the supply of seasoned management talent. The Governor's Office of Economic Development has responded to this need by creating a new set of initiatives to address this essential human capital requirement—the State of Utah's Talent Access Programs. TAP is designed to evaluate and create programs that ensure that Utah and its companies are positioned for continued growth, expansion and the ability to compete domestically and internationally.

GOED and the State's Department of Workforce Services are working together to examine critical data and evaluate significant current and future issues Utah faces related to workforce planning and development. One of the most significant of these is talent acquisition, especially at the senior management level.

"In town hall meetings, professional associations and focus group discussions, a consistent theme expressed by Utah CEOs is the need for accessibility to a growing pool of able, experienced management and executive talent," says Vaughn. This is especially true in industries of strategic importance for Utah, such as IT and software development, biotech/biomed and medical devices.

TAP programs will provide assistance to Utah employers in three fundamental areas:

- 1. RETENTION** of existing talent, which utilizes education, recognition and program development to alleviate the factors that lead to attrition;
- 2. ATTRACTION** of new essential talent, appealing to individuals and companies within and outside the state—especially those with Utah ties—through awareness campaigns that highlight Utah as a place for career growth and business expansion;
- 3. DEVELOPMENT** of emerging talent through quality internships, college recruitment and leadership mentoring.

Although the TAP programs are still in the formative stage, says Vaughn, "we are beginning to connect businesses with key management and executive talent. For example, I'm already receiving inquiries from professionals that may have started



their careers here but left the state for other opportunities during the recessionary economy, or have other connections with Utah and have expressed interest in returning or moving to the state. We are working to become a centralized conduit for senior management and executive level talent to connect with opportunities here in Utah." Individuals or organizations interested in TAP programs can send questions or resumes to TAPintoUtah@utah.gov.

UTAH BUSINESS LINK

Another key resource GOED is working to develop in order to help entrepreneurs and businesses in Utah is Utah Business Link, an integrated, comprehensive Web portal designed to provide business owners with useful, accessible information on a variety of essential business issues.

The Utah Business Link consists of information crucial to business success such as access to Utah suppliers and customers; assistance to entrepreneurs in obtaining the necessary knowledge and resources to start and grow a successful business; and access to workforce information. The categories were created in response to multiple requests from business owners in Utah.

PART OF THE HIVE

With so many advantages to be found in Utah, the state welcomes those individuals and companies who would like to live and work in the state. "There are many people whose lives in some way, shape, or form have been touched by Utah," says Vaughn. "We want to reach out to them, let them know about the opportunities that are here. It might be someone who comes here to ski one week out of the year, but really looks at Utah and says, 'This would be a great place to work where you play and play where you work!' It might be someone who came here to go to school, but then left afterward. It might be someone who was born and raised here, but was educated outside of the state and then stayed outside. We want to welcome them back, or invite them to the wealth of opportunities available in Utah."

With the powerful combination of a young, well-educated, and highly motivated leaders in the private and public sectors, Utah is positioned to offer business and quality of life experiences unique in the world. The State of Utah invites businesses and executives to come find out what all the "buzz" is about.

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